

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF OHIO
EASTERN DIVISION**

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|---|---|------------------------|
| In re: |) | Chapter 11 |
| |) | |
| Squirrels Research Labs LLC, <i>et al.</i> ¹ |) | Case No. 21-61491 |
| |) | (Jointly Administered) |
| Debtors. |) | |
| |) | Judge Russ Kendig |
| _____ |) | |
| |) | |
| Squirrels Research Labs LLC, |) | |
| |) | |
| Plaintiff, |) | Adv. Case No. _____ |
| |) | |
| vs. |) | Judge Russ Kendig |
| |) | |
| Fleur-de-Lis-Development, LLC, <i>et al.</i> ² |) | |
| |) | |
| Defendants. |) | |
| _____ |) | |

NOTICE OF REMOVAL

Squirrels Research Labs LLC, one of the debtors and debtors-in-possession in the above-captioned bankruptcy case (the “Debtor”), gives notice, pursuant to 28 U.S.C. § 1452(a) and Federal Bankruptcy Rule 9027, that the case of *Squirrels Research Labs LLC v. Fleur-de-Lis Development LLC, et al.*, commenced by the Debtor in the Stark County Court of Common Pleas as case number 2021CV00251 (the “State Court Case”), is hereby removed to the United States Bankruptcy Court for the Northern District of Ohio, Canton Division in which the Debtor’s Chapter 11 bankruptcy case is pending. In support of the notice, the Debtor represents to the Court as follows:

¹ The Debtors in these Chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Squirrels Research Labs LLC (9310), case no. 21-61491 and the Midwest Data Company LLC (1213), case no. 21-61492.

² The other defendants are Rocco Piacentino and Cynthia Heinz.

Background

1. The Debtor filed a voluntary petition for relief under Subchapter V of Chapter 11 of the Bankruptcy Code on November 23, 2021 (the “Petition Date”). The Debtor is operating its business as a debtor-in-possession pursuant to Section 1184 of the Bankruptcy Code. Frederic P. Schwieg has been appointed as the Subchapter V Trustee.

2. On March 1, 2021, prior to the Petition Date, the Debtor initiated the State Court Case and alleged claims for (i) breach of contract, (ii) defamation, (iii) fraud, (iv) misappropriation of trade secrets and trade practices, and (v) intentional interference with contract and business relationships. Defendant Fleur-de-Lis Development LLC filed counterclaims against the Debtor for (i) breach of fiduciary duty, (ii) breach of contract, (iii) fraudulent misrepresentation, (iv) fraudulent concealment, and (v) defamation. The dispute in the State Court Case primarily centers around a certain Membership Unit Purchase Agreement, dated December 31, 2020.

3. A true and accurate copy of all process and pleadings in the State Court Case is attached hereto as Exhibit A. See Fed. R. Bankr. P. 9027(a)(1).

Basis for Removal

4. Removal of the State Court Case to this Court is proper. Removal is governed by: (i) 28 U.S.C. § 1452(a) which provides, in pertinent part: “A party may remove any claim or cause of action in a civil action ... to the district court for the district where such civil action is pending, if such district court has jurisdiction of such claim or cause of action under section 1334 of this title” and (ii) General Order No. 2012-7 entered on April 4, 2012 by the United States District Court for the Northern District of Ohio. Removed actions are within the scope of the general automatic reference of bankruptcy proceedings to the bankruptcy judges. See *Aztec Indus., Inc. v. Standard Ohio Co. (In re Aztec Indus., Inc.)*, 84 B.R. 464, 468 (Bankr. N.D. Ohio 1987) (collecting cases).

5. The State Court Case, upon removal, is a core proceeding under 28 U.S.C. § 157(b)(2)(A), (B), and (C). To the extent some or all of the claims in the State Court Case are not “core” matters, the claims are “related to” this bankruptcy case. Bankruptcy courts have jurisdiction under 28 U.S.C. § 1334(b) to hear matters “related to” cases under the Bankruptcy Code. A matter is “related to” bankruptcy if the outcome of that proceeding could conceivably have any effect on the estate’s administration. *In re Dow Corning Corp.*, 86 F.3d 482, 489 (6th Cir. 1996).

6. Judicial economy is served by removal of the State Court Case to this Bankruptcy Court, as the outcome of the State Court Case will have a direct effect on the claims administration process and the Debtor’s liquidation efforts.

7. Accordingly, the Debtor removes the State Court Case to the Bankruptcy Court for a determination of all issues in the State Court Case. The Debtor consents to entry of a final judgment on all such issues.

8. This notice is timely filed pursuant to Federal Bankruptcy Rule 9027(a)(2).

Notice

9. The Debtor shall promptly file a copy of this notice in the State Court Case.

10. Pursuant to Federal Bankruptcy Rule 9027(c), removal of the State Court Case is effected upon the filing of a copy of this notice in the Stark County Court of Common Pleas and the parties shall proceed no further in that action.

Dated: February 17, 2022

Respectfully submitted,

/s/ Julie K. Zurn

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*Counsel for the Debtors
and Debtors-in-Possession*

CERTIFICATE OF SERVICE

I hereby certify that on February 17, 2022, a copy of the foregoing Notice of Removal was served via the Court's CM/ECF system to the following who are listed on the Court's Electronic Mail Notice List:

- **John C. Cannizzaro** John.Cannizzaro@icemiller.com, lauren.prohaska@icemiller.com
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- **United States Trustee** (Registered address)@usdoj.gov
- **Joshua Ryan Vaughan** jvaughan@amer-collect.com, SAllman@AMER-COLLECT.COM;HouliECF@aol.com
- **Julie K. Zurn** jzurn@brouse.com, tpalcic@brouse.com

- **Kate M. Bradley** ust44 kate.m.bradley@usdoj.gov

And to the following on February 17, 2022 via regular U.S. Mail:

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Dated: February 17, 2022

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